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SUBJECT: MONITORING THE ENFORCEMENT OF AGRICULTURAL ASPECTS
OF THE U.S.-JORDANIAN FREE TRADE AGREEMENT (FTA)

REF: USDA FAS 682692

¶1. SUMMARY: The Government of Jordan (GoJ) customs authority uses an automated, transparent electronic system to apply customs tariffs to all products from all origins; this system has been updated and enforced for all U.S. products.

¶2. Monitoring the statistics related to enforcement of the U.S.-Jordan free trade agreement (FTA) in agricultural trade shows that Jordan's market economy is increasingly open. As a member of the WTO, Jordan must reduce its import tariff ceiling to 20 percent by the year 2010. Under the terms of the FTA, import duties and other trade barriers between Jordan and the United States must be phased out over a ten-year period, also ending in 2010. The process is automated by the customs authority in a transparent way that allows access to anyone who visits through the website www.customs.gov.jo. Customs tariffs are based on the Harmonized System coding practice.

¶3. Jordan does not impose tariff rate quotas, but in addition to customs duties, both imported products and locally produced goods are subject to a 16 percent value-added tax based on the cost, insurance, and freight (CIF) value at the border. Goods such as foodstuffs and agricultural products are subject to a 4 percent sales tax.

¶4. One factor that impedes the increase of trade in agriculture products is the issue of transshipment, though it is outside the purview of the FTA. If an importer receives a shipment using any third country port for reshipment or redistribution, GoJ officials do not apply FTA-agreed tariffs to those products. The same applies for U.S. products that may undergo slight modification outside the United States. (NOTE: Sowing seeds fall into this category.)

¶5. There are no recorded incidents where fees or other charges impede U.S. exports of foodstuffs and agricultural goods.

¶6. The imposition of sanitary and phytosanitary (SPS) measures as barriers to trade continue to be a concern. For example, shortly after the BSE ban was removed, GoJ officials sent communication to post that minced beef would not be allowed to enter the country. Officials justified this ban on the basis of a lack of ability to test minced beef for the presence of BSE. Post continues to engage the Ministry of Agriculture, the Jordanian Food and Drug Administration, and the Ministry of Health to reconsider this decision, based on the grounds that it violates Jordan's FTA and WTO commitments.
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